

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 2531 - HB 3295**

March 5, 2012

**SUMMARY OF BILL:** Requires health care practitioners authorized to prescribe or dispense a controlled substance to query the controlled substance database in order to check the prescription history of any patient seeking a prescription for any such controlled substance.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – \$138,300/One-Time  
\$138,300/Recurring**

Assumptions:

- According to the Department of Health, the increase in registrations that would result from the requirement that all prescribers and dispensers check the database before prescribing or dispensing a controlled substance would require the addition of a Statistician 2 position to process the registration requests from practitioners not currently registered with the database. This employee will also handle the daily increase in calls to the database office from the increased number of practitioners registered.
- One-time increase in state expenditures associated with this position will be \$4,300 (\$2,700 office set-up + \$1,600 computer).
- Recurring state expenditures will increase by \$58,346 (\$33,437 salary + \$10,909 benefits and insurance + \$7,900 administrative support services + \$4,100 office lease + \$1,400 communications + \$600 supplies).
- According to DOH, the increase in the number of reports that result from the requirement that all prescribers and dispensers check the database prior to prescribing or dispensing a controlled substance to a patient will increase the cost of hosting the database by the state's vendor.
- The number of reports requested for 2011 from 10,248 registered prescribers and dispensers was 1.5 million. The Department estimates that the number of reports requested would increase to 20 million for all 47,000 prescribers and dispensers required to check the database as a result of this bill. This will result in a one-time increase in state expenditures of \$133,950 and a recurring increase in state expenditures of \$79,920 for vendors to support the increase in patient searches.
- The total increase in one-time state expenditures will be \$138,250 (\$4,300 + \$133,950).
- The total increase in recurring state expenditures will be \$138,266 (\$58,346 + \$79,920).

- Any increase in expenditures for the boards that regulate and license prescribers and dispensers to accommodate additional disciplinary cases will be not significant and can be accommodated within existing resources of the affected boards.
- Any rulemaking required by this bill will be accomplished during regularly scheduled boards meetings and can be accommodated within existing budgetary resources.
- The affected boards will not raise their fees to meet the self-sufficiency requirement.
- Pursuant to Tenn. Code Ann. § 4-3-1011, all health-related boards are required to be self-supporting over a two-year period. As of June 30, 2011, the Division of Health Related Boards had a cumulative balance of \$10,859,982.82.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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